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Owest

VIA ECFS

EX PARTE

June 13, 2008

Ms. Marlene H. Dortch Secretary Federal Communications Commission 445 12th Street, S.W. Washington, DC 20554

Re: In the Matter of Petition of Qwest Corporation for Forbearance Pursuant to 47 U.S.C. § 160(c) in the Denver, Minneapolis-St. Paul, Phoenix and Seattle Metropolitan Statistical Areas, WC Docket No. 07-97

Dear Ms. Dortch:

Qwest Corporation ("Qwest") addresses three issues in this *ex parte*. First, Qwest clarifies the geographic scope of relief that Qwest seeks. Second, Qwest describes the substantive relief that it is seeking in this proceeding, with specific focus on geographic averaging, as required in footnote 102 of the *Verizon Six MSA Order*. Third, Qwest clarifies data that it already provided regarding Qwest wireless subscribership.

Geographic Scope Of Relief

Qwest clarifies the geographic scope of the relief sought in its four petitions. Specifically, Qwest seeks relief as described in the petition and in this *ex parte* in the geographic area encompassed by: (1) the Qwest wire centers located within the boundaries of the Denver-Aurora Metropolitan Statistical Area ("MSA"), except for the Fairplay wire center for which Qwest does not seek relief; (2) the 64 Qwest wire centers located within the boundaries of the Phoenix-Mesa-Scottsdale MSA; (3) the 26 Qwest wire centers located within the boundaries of the Seattle-Bellevue-Everett Metropolitan Division; (4) and the 58 Qwest wire centers located within the boundaries of the Minneapolis-St. Paul-Bloomington MSA.

¹ See In the Matter of Petitions of the Verizon Telephone Companies for Forbearance Pursuant to 47 U.S.C. § 160(c) in the Boston, New York, Philadelphia, Pittsburgh, Providence and Virginia Beach Metropolitan Statistical Areas, Memorandum Opinion and Order, 22 FCC Rcd 21293 (2007) ("Verizon Six MSA Order"), pet. for rev. filed Jan. 14, 2008 (D.C. Cir. No. 08-1012).

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Substantive Relief Sought

Qwest clarifies the relief which it is seeking. As a general matter, Qwest is seeking substantially the same regulatory relief the Federal Communications Commission ("Commission") granted in the *Omaha Forbearance Order*.² The relief sought by Qwest in all four petitions is identical to that requested by Verizon in its six MSA petitions.³

Unbundling Relief

In all four petitions, Qwest is requesting forbearance from loop and transport unbundling regulation pursuant to 47 U.S.C. §§ 251(c) and 271(c)(2)(B)(ii), see 47 C.F.R. § 51.319(a), (b), (e). Qwest seeks this relief for its wholesale provision of voice-grade, DS1 and DS3 unbundled loop and transport facilities. The specific rule Sections for which Qwest is seeking relief are 47 C.F.R. §§ 51.319(a), 51.319(b), and 51.319(e).

Dominant Carrier Price Cap and Tariffing Regulation

Qwest also seeks relief from dominant carrier price cap regulations and certain related tariffing and pricing rules based on the significant competition that Qwest faces for both mass market and enterprise switched access services. Specifically, Qwest seeks relief from dominant carrier tariff requirements (47 C.F.R. Part 61). Subpart E of Part 61 includes Sections 61.32 (method of filing these tariffs), 61.33 (the required transmittal letter), 61.38 (the required supporting information), 61.58 (the associated notice requirements), and 61.59 (the effective period required before any changes can occur). If Qwest is granted relief from these dominant carrier tariff requirements, it would be subject to the permissive detariffing rules in Subpart C, Sections 61.18-61.26, which apply to competitive local exchange carriers ("LECs"). Qwest notes that the Commission granted similar relief for mass market exchange access services in the *Omaha Forbearance Order*. The Commission conditioned the relief from dominant carrier tariffing requirements upon Qwest's compliance with the same permissive detariffing obligations

² In the Matter of Petition of Qwest Corporation for Forbearance Pursuant to 47 U.S.C. § 160(c) in the Omaha Metropolitan Statistical Area, Memorandum Opinion and Order, 20 FCC Rcd 19415 (2005) ("Omaha Forbearance Order"), pets. for rev. dismissed and denied on the merits, Qwest v. FCC, 482 F.3d 471 (D.C. Cir. 2007).

³ Compare, Petitions of Qwest Corporation for Forbearance Pursuant to 47 U.S.C. § 160(c) in the Denver (pages 3-4), Minneapolis-St. Paul (pages 3-4), Phoenix (pages 3-4) and Seattle (pages 3-4) Metropolitan Statistical Areas, WC Docket No. 07-97, filed Apr. 27, 2007 with Petitions of the Verizon Telephone Companies for Forbearance Pursuant to 47 U.S.C. § 160(c) in the Boston (footnote 3), New York (footnote 3), Philadelphia (footnote 3), Pittsburgh (footnote 3), Providence (footnote 3) and Virginia Beach (footnote 3) Metropolitan Statistical Areas, WC Docket No. 06-172, filed Sept. 6, 2006.

⁴ Omaha Forbearance Order, 20 FCC Rcd at 19434 ¶ 39.

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that apply to competitive LECs.⁵ Qwest is willing to accept this condition for the four forbearance petitions at issue here.

Qwest is seeking relief from Price Cap Regulations (Part 61) for its interstate mass market and enterprise services in the four MSAs. The rules for which we are seeking forbearance are found in 47 C.F.R. Sections 61.41-61.49. The Commission granted forbearance from price cap regulation for exchange access services in the *Omaha Forbearance Order*. The Commission conditioned forbearance from applying Section 61.41 "to Qwest's mass market access service charges on Qwest's compliance with regulations that apply to all competitive LECs, in particular section 61.26 of the Commission's rules." *Id.* In doing so, the Commission extended to Qwest the current benchmark that applies to all of its competitors -- Qwest's tariffed rate as of July 1, 2005. Qwest is willing to accept this condition here as well, as discussed below.

Conditions on Qwest regarding Switched Access, not including Subscriber Line Charges (or "SLCs")

Qwest agrees to comply with the same regime under which competitive LECs currently operate, with the exception that Qwest will file tariffs for switched access, which may be done on one-day's notice. Qwest further agrees to benchmark its switched access rates as a non-dominant carrier at the level of Qwest's tariffs as of July 1, 2008. Thus, Qwest would be subject to a benchmark on terminating interstate switched access rates similar to the benchmark that the Commission imposed on Qwest pursuant to 47 C.F.R. § 61.26 of the Commission's rules in the *Omaha Forbearance Order*. To implement relief from the tariffing and price cap rules, the geographic areas receiving relief would be removed from the tariff and the associated demand would be removed from the tariff review plan which implements the price cap mechanism using the same process as used when implementing Phase II Pricing Flexibility. Qwest also agrees to continue to file all contract offerings as contract tariffs.

Conditions on Qwest regarding Subscriber Line Charges

As with switched access rates, Qwest agrees that the areas getting relief would be removed from Qwest's dominant carrier tariff. Qwest agrees that SLCs, and potentially primary interexchange carrier charge ("PICC") and carrier common line charge ("CCLC") rate elements,

⁵ *Id.* at 19435 \P 41.

⁶ *Id.* at 19434 ¶ 39.

⁷ *Id.* at 19435 \P 41.

⁸ Qwest may also file tariffs on seven or 15-days' notice and receive deemed lawful treatment for those rates, similar to competitive LECs.

⁹ Omaha Forbearance Order, 20 FCC Rcd at 19435 ¶ 41.

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in the areas getting relief would be placed in a non-dominant tariff. IAS support would continue per Part 54. Qwest agrees to use the Subpart C rules in Part 69 and the associated rules in Part 61 to calculate maximum SLC rates "as if" the demand for the SLCs that have received relief were still being treated as dominant and subject to the rules. The maximum SLC rates would be produced for the entire study area and would represent the maximum rates which could be charged. The actual rates in the non-dominant tariff or in contracts could be lower. This method will prevent "double recovery" with regard to IAS. It would also provide for an equitable treatment of the SLCs and for the IAS in the portion of the study area not receiving forbearance. The annual changes to the IAS received in the study area would also be accommodated. Qwest's maximum SLC rates, therefore, cannot be eliminated or modified absent future Commission action except as part of the workings of the Part 69 Subpart C rules.

Given that the study area wide averaging is for tariffed services and the services getting relief would no longer be controlled by dominant carrier tariffs, the study area wide averaging would no longer apply to the services receiving relief. Study area wide averaging would continue to apply to all others services per Part 69 including any allowed variances such as zone rates.

With regard to footnote 102 in the *Verizon Six MSA Order*, ¹⁰ the process of removing the demand from the TRP provides for the urban to rural subsidy inherent in study area wide averaging to continue. After the demand is removed the average rates are not changed and are continued in the TRP and the tariff for switched access. This process for removing demand does not create any additional "head room" and hence no opportunity to increase rates in the rest of the study area. For SLCs, using the Part 69 Subpart C rules on an "as if" basis also provides for the continued subsidies in the study area wide averaging by using the demand in the areas receiving relief to set rates for the study area.

Dominant Carrier 214 Regulation

Qwest is also seeking relief from dominant carrier requirements under 47 U.S.C. § 214 of the Act and 47 C.F.R. Part 63 regarding the process for acquiring lines, discontinuing services, making assignments or transfers of control. Qwest requests this relief for its mass market and enterprise services in the four MSAs. In its petitions, Qwest sought relief from 47 C.F.R. §§ 63.03, 63.04, and 63.60-63.66. Qwest continues to seek relief for rule Sections 63.03 and 63.04. The Commission granted similar relief in the *Omaha Forbearance Order*. Qwest formally withdraws its request for forbearance from rule sections 63.60-63.66.

¹⁰ Verizon Six MSA Order, 22 FCC Rcd at 21311 n.102.

¹¹ Omaha Forbearance Order, 20 FCC Rcd at 19435-36 ¶ 43.

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Computer III Requirements

Finally, Qwest requests forbearance in the four MSAs from the application of the Commission's *Computer III* requirements, including Comparably Efficient Interconnection ("CEI") and Open Network Architecture ("ONA") requirements, to the mass market and enterprise switched access services at issue here ¹² "to the extent that Qwest offers information services in conjunction with such services." Qwest formally withdraws its request for forbearance from the *Computer III* requirements of transmission access and nondiscrimination in light of earlier Commission decisions. Moreover, Qwest's forbearance request does not extend to Qwest information services to the extent that they incorporate telecommunications components other than the services at issue here. Qwest maintains its forbearance request as to the BOC-specific *Computer III* obligations. This forbearance would allow Qwest to respond quickly to customer demands for information services with innovative offerings. ¹⁴

Number Of Qwest Wireless Subscribers And Telephone Numbers

Qwest clarifies that the wireless subscriber counts listed in its *ex parte* letters dated April 22, 2008, are the same counts as the number of Qwest Wireless phone numbers. That is, each subscriber has a single phone number. On April 22, 2008, Qwest filed four separate responses regarding its in-service Qwest Wireless subscriber counts as of December 2007 at the MSA level as well as at the statewide level for the states of Arizona, Colorado, Minnesota, and Washington. Qwest follows the industry standards in the manner in which it counts its wireless subscribers.

Respectfully submitted,

/s/ Daphne E. Butler

Attachment

¹² See Appendix for a list of Qwest's ONA services.

¹³ In the Matters of Petition of AT&T Inc. for Forbearance Under 47 U.S.C. § 160(c) from Title II and Computer Inquiry Rules with Respect to Its Broadband Services, Petition of BellSouth Corporation for Forbearance Under Section 47 U.S.C. § 160(c) from Title II and Computer Inquiry Rules with Respect to Its Broadband Services, Memorandum Opinion and Order, 22 FCC Rcd 18705 (2007).

 $^{^{14}}$ Id. at 18734 ¶ 57.

¹⁵ See Qwest ex partes, filed April 22, 2008, WC Docket No. 07-97, in the Denver (Attachment 2), Minneapolis-St. Paul (Attachment 2), Phoenix (Attachment 2) and Seattle (Attachment 2) Metropolitan Statistical Areas.

QWEST MSA FORBEARANCE PETITION AFFECTED QWEST ONA SERVICES

Basic Serving Arrangements (BSAs)

Called Directory Number Delivery (DID)

Semipublic and Shared Coin Lines

Tandem Routing

Voice Grade - Line - Circuit –Switched Basic PAL
Dial Access Business Lines
Digital Switched Service - Basic
Feature Group A Service
Flat Rate Line
Foreign Central Office Service
Foreign Exchange Service
ISDN Basic Rate Access (2B+D)
ISDN Basic Rate Access (1B+D)
ISDN Basic Rate Access (0B+D)
Measured Rate Lines
Message Rate Lines
Smart PAL

Voice Grade - Trunk - Circuit-Switched DID Service DID Switched Access Service Digital Switched Service - Advanced Feature Group B Service Feature Group D Service ISDN Primary Rate Access (23B+D) PBX Trunks Two-Way Trunk with DID (Analog)

555 Access Service

800 Service

Basic Service Elements (BSEs)

Access Service Billing Information

Alternate Traffic Routing

Answer Supervision - Line Side

Automatic Number Identification (ANI) (FGB)

Automatic Number Identification (ANI) (FGD)

Automatic Number Identification_(ANI) -Circuit Switched Trunkside Option 1/FG-B like

Automatic Number Identification (ANI) - Circuit Switched Trunkside Option 3/FG-D like

Billed Number Screening

Billing Name and Address

Blocking for 10XXX1+/10XXX011+

Bridging

Call Transfer

Call Transfer on DID

Called Directory Number Delivery (DID)

Caller Identification – Number (ICLID)

Calling Name Delivery (ISDN PRS)

Calling Number Identification (BCLID)

DID Trunk Queuing and Basic Announcement

Dial Call Waiting

Directed Call Pickup with Barge-In

Directed Call Pickup without Barge-In

Distinctive Alert

Flexible ANI

Hunting (Hunt Group Arrangement)

Hunting (Non Hunt)

Hunting (MLHG Overflow)

Improved Transmission Performance

Interface Group 6

International Blocking

Network Access Service (960)

Operator Services Automatic Call Distribution

Redirecting Name Delivery (ISDN PRS)

Simultaneous Voice/Data

Three-Way Calling

Traffic Data Report Service

Uniform Call Distribution (Delay Announcement)

Uniform Call Distribution (Hunting)

Uniform Call Distribution (Queuing)

Complementary Network Services (CNSs)

Abbreviated Access/Activation (1 or 2 Digit)

Call Forwarding - Busy Line

Call Forwarding - Busy Line (Expanded)

Call Forwarding - Busy Line (Programmable)

Call Forwarding Busy Line/Don't Answer

Call Forwarding Busy Line/Don't Answer (Expanded)

Call Forwarding Busy Line/Don't Answer (Programmable)

Call Forwarding – Don't Answer

Call Forwarding – Don't Answer (Expanded)

Call Forwarding - Variable without Call Completion

Call Forwarding – Variable

Call Forwarding-Variable Interswitched

Call Planner

Call Queuing

Call Rejection

Call Trace

Call Waiting

Calling Name Identification (ISDN BRI) Continuous Redial **Custom Ringing** Easy Access Expanded Answer Hot Line Last Call Return Message Waiting Indication – Audible Message Waiting Indication – Visual Message Waiting Indication - Audible/Visual Number Forwarding Priority Call Privacy + Redirecting Number Delivery (ISDN BRI) Remote Access Forwarding Security Screen Selective Call Forwarding Selective Call Waiting Speed Calling (8 Number) Speed Calling (30 Number) Warm Line Wireless Extension